

Message Text

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13

ACTION EA-14

INFO OCT-01 ADP-00 AID-20 CIAE-00 COME-00 EB-11 FRB-02

INR-10 NSAE-00 RSC-01 TRSE-00 XMB-07 OPIC-12 CIEP-02

LAB-06 SIL-01 OMB-01 DODE-00 PA-03 USIA-15 PRS-01

AGR-20 RSR-01 /128 W

----- 105323

R 310810Z AUG 73

FM AMEMBASSY JAKARTA

TO SECSTATE WASHDC 8569

INFO AMCONSUL MEDAN

LIMITED OFFICIAL USE JAKARTA 10446

E.O. 11652: N/A

TAGS: BTRA, ID

SUBJECT: TIMBER INVESTMENT BY LANAO EXPORT CORP

REFS: A) STATE 157655; B) MEDAN 0244; C) MEDAN 0239

1. CABELL CALLED AT EMBASSY AUGUST 29 AND TALKED TO ACTING E/CM COUNSELOR AND MEDAN CONSUL DION, WHO HAPPENED TO BE IN JAKARTA.

2. CABELL ACKNOWLEDGED CORRECTNESS OF MANY FACTS IN REF B. HE INSISTED HOWEVER THAT DE BEYER A CAPABLE MANAGER WHO HAD WHIPPED MORIBUND COMPANY INTO SHAPE, MAKING A PROFIT FOR FIRST TIME IN HISTORY IN MAY, JUNE AND JULY 1973. AND WHILE HE ADMITTED DE BEYER HAD MADE MISTAKES IN DEALING WITH ACEHENESE, CABELL ATTRIBUTED DE BEYER OUSTER MAINLY TO INTRIGUE BY INDONESIAN PARTNER, HIKMAT WIRADILAGA, WHO ALLEGEDLY MANEUVERING TO SEIZE EXCLUSIVE CONTROL OF P.T. WIRALANAO. ACCORDING CABELL, HIKMAT WAS PUT UP TO THIS BY BLAINE GARDNER, FORMER WIRALANAO VICE PRESIDENT FIRED BY CABELL, WHOM CABELL DESCRIBES AS "BAD APPLE".

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3. CABELL NOW IN JAKARTA TRYING NEGOTIATE DEAL WITH
HIKMAT IN WHICH AMERICAN FIRM WILL HAVE EXCLUSIVE MANAGE-
MENT CONTROL AND INDONESIAN PARTNER WILL GET ROYALTIES.
CABELL SAID NEGOTIATIONS DEADLOCKED AND ASKED EMBASSY
HELP IN GETTING HIM APPOINTMENTS WITH CAPITAL INVESTMENT
COORDINATING BOARD AND FORESTRY OFFICIALS. WE ARE
ASSISTING HIM IN THIS.

4. CABELL REALIZES IT WOULD BE MISTAKE TO TRY TO BRING
DE BEYER BACK INTO INDONESIA AND IS LOOKING AROUND FOR
NEW MANAGER. WE SUGGESTED HE INVESTIGATE VENABLES
(REF C) AND ALSO DISCUSS MATTER WITH ED STROH, WEYERHAEUSER
LOCAL REP, WHO HAS TOLD US HE KNOWS OF TWO GOOD PROSPECTS.

5. CABELL INTENDS COME TO MEDAN AFTER JAKARTA NEGOTIATIONS
AND WILL CALL AT CONSULATE.
GALBRAITH

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